

Purchasing Policy of Budapesti Erőmű ZRt.

The main activity of **Budapesti Erőmű Zártkörűen Működő Részvénytársaság (hereinafter: Company)** is energy generation. Energy generation requires high value assets and several production and distribution equipment interconnected in a complicated system.

The installation, maintenance and operation of the equipment and the operation of the Company is a complex task requiring the employment of external resources, too.

The process of using external resources, supported also by an organisational background, is purchasing, which relates to all purchasing activities other than gas supply and financial services.

By adopting a purchasing policy, the management of the Company supports Purchasing in satisfying the Company's real demands in the right scope, at the most favourable price, in the right time-schedule, with the participation of sound market supplier and contractor partners, and by following the best purchasing strategy in order to keep the operating costs of the Company low. **For this purpose, the Company:**

- optimises the number of qualified suppliers in order to retain the benefits of competitive tendering
- combines the demands at site and company level
- possibly acts on the supplier market together with the other EDF companies to utilise synergies
- resolves the tasks by "turn-key" or other general contractor assignments
- concludes and applies frame contracts, and regularly revises, updates and re-tenders them
- aims at developing long-term cooperation with its partners,
- occasionally uses an efficient combination of the above

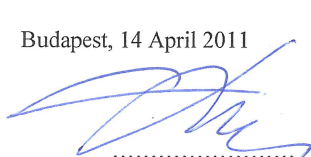
According to our purchasing ethics:

- we ensure that all bidders can prepare their offers in the possession of the same information
- from the request (design) phase until the receipt of the offers, the Company's employees and managers do not contact the bidders unless the purchaser and the requestor together so decide
- it is forbidden to disclose the offer prices and conditions to any other bidder
- we decide on the offers and assess contractual performance objectively, with full financial and moral responsibility
- we seek to develop mutually beneficial business relations with our partners

In order to operate according to our purchasing policy:

- we run a regulated purchasing process
- by improving our relations with the requestors, we enhance the credibility of the Company towards our suppliers
- we apply and continuously develop the Company's standard enquiry, order and contract forms
- we keep on updating and developing our panel of qualified suppliers, enabling safe operation and competitive tendering
- we continuously adapt the activities and responsibilities of the purchasing organisation to the Company's organisational changes
- the managers and staff of the purchasing organisation and of the organisations supported by the purchasing process cooperate responsibly and flexibly
- we support the specialised professional training of the purchasing staff
- we measure the value created by the purchasing activity
- in the steps of the purchasing process, we continuously apply the Company's integrated management policy, safety policy, as well as its labour safety and environmental requirements..

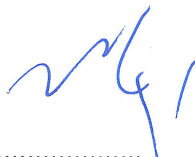
Budapest, 14 April 2011



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